

STATE OF MONTANA TERM CONTRACT

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State Procurement Bureau
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T.C. #: SPB05-1070D
FIRM NATURAL GAS SUPPLY – NORTHWESTERN ENERGY
This is an exclusive contract for the facilities listed.

CONTRACT TERM	FROM	July 1, 2005	CONTRACT STATUS	NEW (X)
	TO	June 30, 2007		RENEW ()
VENDOR ADDRESS	JEFFERSON ENERGY TRADING, LLC 65 E. BROADWAY, SUITE 206 BUTTE MT 59701		ORDER ADDRESS	
ATTN:	TERRY WISNER		ATTN:	
PHONE:	(406) 533-6791		PHONE:	
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PRICES: PER CONTRACT

DELIVERY: PER CONTRACT

F.O.B.: NORTHWESTERN ENERGY PIPELINE SYSTEM

TERMS: NET 30 DAYS

REMARKS:

IFB/RFP No.:
SPB05-1070D

DEVIN GARRITY, PROGRAM MANAGER

DATE:

AUTHORIZED SIGNATURE

Standard Terms and Conditions

By submitting a response to this invitation for bid, request for proposal, limited solicitation, or acceptance of a contract, the vendor agrees to acceptance of the following Standard Terms and Conditions and any other provisions that are specific to this solicitation or contract.

ACCEPTANCE/REJECTION OF BIDS, PROPOSALS, OR LIMITED SOLICITATION RESPONSES: The State reserves the right to accept or reject any or all bids, proposals, or limited solicitation responses, wholly or in part, and to make awards in any manner deemed in the best interest of the State. Bids, proposals, and limited solicitation responses will be firm for 30 days, unless stated otherwise in the text of the invitation for bid, request for proposal, or limited solicitation.

ACCESS AND RETENTION OF RECORDS: The contractor agrees to provide the department, Legislative Auditor, or their authorized agents, access to any records necessary to determine contract compliance (Mont. Code Ann. § 18-1-118). The contractor agrees to create and retain records supporting the services rendered or supplies delivered for a period of three years after either the completion date of the contract or the conclusion of any claim, litigation, or exception relating to the contract taken by the State of Montana or third party.

ALTERATION OF SOLICITATION DOCUMENT: In the event of inconsistencies or contradictions between language contained in the State's solicitation document and a vendor's response, the language contained in the State's original solicitation document will prevail. Intentional manipulation and/or alteration of solicitation document language will result in the vendor's disqualification and possible debarment.

ASSIGNMENT, TRANSFER AND SUBCONTRACTING: The contractor shall not assign, transfer or subcontract any portion of the contract without the express written consent of the department. (Mont. Code Ann. § 18-4-141.)

AUTHORITY: The following bid, request for proposal, limited solicitation, or contract is issued under authority of Title 18, Montana Code Annotated, and the Administrative Rules of Montana, Title 2, chapter 5.

COMPLIANCE WITH LAWS: The contractor must, in performance of work under the contract, fully comply with all applicable federal, state, or local laws, rules and regulations, including the Montana Human Rights Act, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973. Any subletting or subcontracting by the contractor subjects subcontractors to the same provision. In accordance with section 49-3-207, MCA, the contractor agrees that the hiring of persons to perform the contract will be made on the basis of merit and qualifications and there will be no discrimination based upon race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin by the persons performing the contract.

CONFORMANCE WITH CONTRACT: No alteration of the terms, conditions, delivery, price, quality, quantities, or specifications of the contract shall be granted without prior written consent of the State Procurement Bureau. Supplies delivered which do not conform to the contract terms, conditions, and specifications may be rejected and returned at the contractor's expense.

DEBARMENT: The contractor certifies, by submitting this bid or proposal, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction (contract) by any governmental department or agency. If the contractor cannot certify this statement, attach a written explanation for review by the State.

DISABILITY ACCOMMODATIONS: The State of Montana does not discriminate on the basis of disability in admission to, access to, or operations of its programs, services, or activities. Individuals, who need aids, alternative document formats, or services for effective communications or other disability-related

accommodations in the programs and services offered, are invited to make their needs and preferences known to this office. Interested parties should provide as much advance notice as possible.

FACSIMILE RESPONSES: Facsimile responses will be accepted for invitations for bids, small purchases or limited solicitations ONLY if they are completely received by the State Procurement Bureau prior to the time set for receipt. Bids, or portions thereof, received after the due time will not be considered. Facsimile responses to requests for proposals are ONLY accepted on an exception basis with prior approval of the procurement officer.

FAILURE TO HONOR BID/PROPOSAL: If a bidder/offeror to whom a contract is awarded refuses to accept the award (PO/contract) or, fails to deliver in accordance with the contract terms and conditions, the department may, in its discretion, suspend the bidder/offeror for a period of time from entering into any contracts with the State of Montana.

FORCE MAJEURE: Neither party shall be responsible for failure to fulfill its obligations due to causes beyond its reasonable control, including without limitation, acts or omissions of government or military authority, acts of God, materials shortages, transportation delays, fires, floods, labor disturbances, riots, wars, terrorist acts, or any other causes, directly or indirectly beyond the reasonable control of the non-performing party, so long as such party is using its best efforts to remedy such failure or delays.

HOLD HARMLESS/INDEMNIFICATION: The contractor agrees to protect, defend, and save the State, its elected and appointed officials, agents, and employees, while acting within the scope of their duties as such, harmless from and against all claims, demands, causes of action of any kind or character, including the cost of defense thereof, arising in favor of the contractor's employees or third parties on account of bodily or personal injuries, death, or damage to property arising out of services performed or omissions of services or in any way resulting from the acts or omissions of the contractor and/or its agents, employees, representatives, assigns, subcontractors, except the sole negligence of the State, under this agreement.

LATE BIDS AND PROPOSALS: Regardless of cause, late bids and proposals will not be accepted and will automatically be disqualified from further consideration. It shall be solely the vendor's risk to assure delivery at the designated office by the designated time. Late bids and proposals will not be opened and may be returned to the vendor at the expense of the vendor or destroyed if requested.

PAYMENT TERM: All payment terms will be computed from the date of delivery of supplies or services OR receipt of a properly executed invoice, whichever is later. Unless otherwise noted in the solicitation document, the State is allowed 30 days to pay such invoices. All contractors will be required to provide banking information at the time of contract execution in order to facilitate State electronic funds transfer payments.

RECIPROCAL PREFERENCE: The State of Montana applies a reciprocal preference against a vendor submitting a bid from a state or country that grants a residency preference to its resident businesses. A reciprocal preference is only applied to an invitation for bid for supplies or an invitation for bid for nonconstruction services for public works as defined in section 18-2-401(9), MCA, and then only if federal funds are not involved. For a list of states that grant resident preference, see <http://www.discoveringmontana.com/doa/gsd/css/Resources/ReciprocalPreference.asp>.

REFERENCE TO CONTRACT: The contract or purchase order number MUST appear on all invoices, packing lists, packages and correspondence pertaining to the contract.

REGISTRATION WITH THE SECRETARY OF STATE: Any business intending to transact business in Montana must register with the Secretary of State. Businesses that are incorporated in another state or country, but which are conducting activity in Montana, must determine whether they are transacting business in Montana in accordance with sections 35-1-1026 and 35-8-1001, MCA. Such businesses may want to obtain the guidance of their attorney or accountant to determine whether their activity is considered transacting business.

If businesses determine that they are transacting business in Montana, they must register with the Secretary of State and obtain a certificate of authority to demonstrate that they are in good standing in Montana. To obtain registration materials, call the Office of the Secretary of State at (406) 444-3665, or visit their website at <http://www.sos.state.mt.us>.

SEPARABILITY CLAUSE: A declaration by any court, or any other binding legal source, that any provision of the contract is illegal and void shall not affect the legality and enforceability of any other provision of the contract, unless the provisions are mutually dependent.

SHIPPING: Supplies shall be shipped prepaid, F.O.B. Destination, unless the contract specifies otherwise.

SOLICITATION DOCUMENT EXAMINATION: Vendors shall promptly notify the State of any ambiguity, inconsistency, or error, which they may discover upon examination of a solicitation document.

TAX EXEMPTION: The State of Montana is exempt from Federal Excise Taxes (#81-0302402).

TECHNOLOGY ACCESS FOR BLIND OR VISUALLY IMPAIRED: Contractor acknowledges that no state funds may be expended for the purchase of information technology equipment and software for use by employees, program participants, or members of the public unless it provides blind or visually impaired individuals with access, including interactive use of the equipment and services, that is equivalent to that provided to individuals who are not blind or visually impaired. (Mont. Code Ann. § 18-5-603.) Contact the State Procurement Bureau at (406) 444-2575 for more information concerning nonvisual access standards.

TERMINATION OF CONTRACT: Unless otherwise stated, the State may, by written notice to the contractor, terminate the contract in whole or in part at any time the contractor fails to perform the contract.

UNAVAILABILITY OF FUNDING: The contracting agency, at its sole discretion, may terminate or reduce the scope of the contract if available funding is reduced for any reason. (Mont. Code Ann. § 18-4-313 (3).)

U.S. FUNDS: All prices and payments must be in U.S. dollars.

VENUE: This solicitation is governed by the laws of Montana. The parties agree that any litigation concerning this bid, request for proposal, limited solicitation, or subsequent contract, must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana, and each party shall pay its own costs and attorney fees. (Mont. Code Ann. § 18-1-401.)

WARRANTIES: The contractor warrants that items offered will conform to the specifications requested, to be fit and sufficient for the purpose manufactured, of good material and workmanship and free from defect. Items offered must be new and unused and of the latest model or manufacture, unless otherwise specified by the State. They shall be equal in quality and performance to those indicated herein. Descriptions used herein are specified solely for the purpose of indicating standards of quality, performance and/or use desired. Exceptions will be rejected.

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1.0 DEFINITIONS

DKT	Dekatherm. One million BTUs measured on a dry basis.
Facility	Agency, institution, university system unit or political subdivision of the State of Montana.
Day	A 24 hour consecutive period commencing at 8:00 a.m. local (Mountain) time.
Month	Period extending from the beginning of the first day in a calendar month to the beginning of the first day in a succeeding month.
Firm Supply	Gas supply service that may only be curtailed for reasons of force majeure (Section 2.15). The Contractor assumes the total burden and obligation to deliver volumes of gas up to the contract maximum daily delivery quantity (including U&UAF), plus volumes noted in "MDDQ" and "Interruptible Supply" sections below.
Firm Service	Non-interruptible gas transportation service. Firm service is contingent upon a firm receipt point on the NWE system, firm upstream pipeline capacity (if the awarded gas is off-system), and firm delivery capacity to a firm receipt point on the NWE system.
MDDQ	<p>Maximum daily delivery quantity. Contractor deliveries into the NWE system must compensate for the applicable used and unaccounted for (U&UAF) gas assessment on NWE's system, as determined through regulatory proceedings before the Montana Public Service Commission. MDDQ values are subject to periodic revision by NWE. The Contractor will be notified of the updated MDDQs via contract addendum and will be responsible for the firm delivery of the MDDQ quantities as stated herein or as revised during the term of the contract.</p> <p>In the event that a day's total delivery exceeds the contract/revised MDDQ, the Contractor will be responsible for delivery of gas, but may bill agencies for volumes in excess of the total contract MDDQ at the AECO daily spot price for that day, as posted on the Natural Gas Exchange (NGX). The sum of the volumes invoiced at the AECO NGX price may not exceed the quantity of gas that was delivered in excess of the total contract MDDQ. Excess volumes billed at the AECO NGX price shall be invoiced to the individual facilities in accordance with the individual facilities' volume of MDDQ exceeded.</p>
Load Factor	The ratio attained by dividing the average daily requirement of gas by the maximum daily requirement, stated as a percentage.
Interconnect, Off-System	A metered junction between two or more transmission pipeline systems designated as a receipt point.
Interconnect, On-System	A metered receipt point between a gathering system and a pipeline.
Interruptible Supply	Gas supply that is delivered in excess of the Firm Service MDDQ to the facilities (University of Montana, Montana State Hospital and the Butte-Silver Bow Crushing Plant) that have elected to utilize the interruptible service option from NWE. This volume of gas is subject to curtailment by NWE to a level specified, when notified by NWE, in compliance with the General Terms and Operating Conditions in NWE gas tariff, Schedule No. GTC-1. Contractor will be responsible for delivery of the interruptible gas,

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up to 800 DKT per day, in addition to the firm service MDDQ. The Butte-Silver Bow Crushing Plant is an interruptible customer on NWE, with historical data contained herein.

NWE NorthWestern Energy, formerly the Montana Power Company.

TRANSMISSION & STORAGE FUEL REIMBURSEMENT

Fuel used by NWE and taken in-kind, as established in NWE gas service tariff. All transmission and storage fuel reimbursement costs and adjustments will be borne by the Contractor unless specifically stated otherwise by the State.

CONTRACT PRICES

The awarded prices per DKT. Contract prices shall include all costs to deliver gas into the NWE transmission system, all applicable transmission/storage fuel reimbursement, and all upstream pipeline charges (e.g., including CMPL, NOVA/TransCanada, Northern Natural, Havre Pipeline, etc., pipeline charges).

2.0 GENERAL TERMS AND CONDITIONS

2.01 CONTRACT TERM

This contract shall take effect on July 1, 2005, and terminate on June 30, 2007, unless extended beyond June 30, 2007 or terminated earlier in accordance with the terms of this contract. (Mont. Code Ann. § 18-4-313.)

2.02 SCOPE OF CONTRACT

This document establishes a contract to supply government facilities with a firm supply of natural gas of up to 10,878 DKT per day, including transmission/storage fuel reimbursements, plus an interruptible supply for facilities as noted herein.

The natural gas will be delivered into the NWE gas transmission pipeline system:

- 1) At on-system or off-system interconnect point(s) designated for firm receipt by NWE, specified in Section 2.08 "Receipt Points" and,
- 2) At any receipt point on the NWE system deemed as acceptable by NWE.

Usage statistics, load profiles, storage capacities and MDDQ, and other data for the facilities that shall receive the transported gas are included in this Term Contract.

The estimated annual contract volume and peak day requirements may be adjusted for the following reasons:

- 1) The inclusion of other governmental facilities and political subdivisions of the State of Montana, not listed herein, that may elect to participate in the contract at the contract price(s) per DKT, by declaring a commitment to the State within a timeframe stated by the Contractor in Section 3.0 of this document. The contract will be adjusted to reflect additional annual contract loads and peak day requirements. The addition of facilities outside the Contractor's timeframe is contingent upon approval by the State and the Contractor, for the Contractor to supply such loads at the contract prices per DKT.
- 2) Revision of the facilities' MDDQ by NWE. Contractor will be notified of the updated MDDQs via contract addendum and will be responsible for delivering up to the revised firm MDDQ and interruptible quantities.

2.03 EXCLUSIVE CONTRACT

This contract is considered to be an "Exclusive" use contract for the facilities/utility accounts listed in Section 4.0 and agencies must obtain firm natural gas from the Contractor, unless the contract allows otherwise. However, the State Procurement Bureau does not guarantee any minimum usage totals and it is the individual agency's responsibility to comply with the terms of the contract.

2.04 BASIS OF AWARD

This bid was awarded to the qualified vendor with the lowest total price calculation, based on fixed prices per DKT for firm natural gas, on a dry basis, to the receipt point(s) specified herein as defined in Section 3.0.

2.05 PREFERENCE NOT APPLIED

Reciprocal preference was not applied to this purchase because federal funds are involved. (ARM 2.5.408.)

2.06 GOVERNMENTAL AUTHORITY

All contract terms and conditions for the purchase of natural gas are subject to valid present and future legislation, regulations, tariffs, ordinances and orders issued by the Montana Public Service Commission, Federal Energy Regulatory Commission, or any other governmental authority having jurisdiction. Vendors must comply with the Natural Gas Supplier Licensing requirements as set forth by the Montana PSC. Information on the requirements may be found at: <http://www.psc.state.mt.us/Energy/>.

If the gas to be supplied is imported from Canada, a copy of the Department of Energy, Economic Regulatory Administration import application, National Energy Board (Canada) and Provincial export applications are required to be completed and provided by June 28, 2004 or furnished upon request. The Contractor is responsible for securing any other import and export permits, and all applicable licensing in accordance with federal, state and provincial regulations, and for maintaining current status on said permits and licenses.

2.07 DELIVERY PRESSURE

The gas purchased shall be delivered at a pressure sufficient for delivery into the NWE pipeline facilities.

2.08 RECEIPT POINTS

NWE has designated the following as firm receipt points:

- 1) Carway, Meter #2002
- 2) Blaine County #3 Interconnect with Havre Pipeline
- 3) Aden Interconnect
- 4) Any firm on-system interconnect, subject to approval by NWE
- 5) NWE firm storage deliverability

The Contractor was required to show proof of sufficient firm and interruptible delivery capacity upstream of any interconnect with NWE by May 13, 2005. The Maximum Daily Receipt Quantities per Primary Receipt Point are listed in Section 4.0.

2.09 QUALITY

The quality of gas delivered shall meet all applicable standards of NWE's tariff as filed with the Montana Public Service Commission.

2.10 WARRANTY OF TITLE TO GAS

The Contractor warrants title to all gas delivered under this contract, and has the right to sell gas, and that the gas is free and clear of all liens, encumbrances and claims whatsoever. Contractor further warrants that it possesses the right and title to sell the gas delivered at the time of delivery, and will indemnify the State of Montana and its facilities, and hold them harmless from suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of adverse claims of any and all persons to said gas or to royalties, taxes, license fees or charges.

2.11 TERMINATION

The State may terminate this contract for failure of the Contractor to perform any of the services, duties, or conditions contained in this contract after giving the Contractor written notice of the stated failure. The written notice must demand performance of the stated failure within a specified period of time of not less than 30 days. If the demanded performance is not completed within the specified period, the termination is effective at the end of the specified period.

2.12 PROPRIETARY INFORMATION

No information provided to the State in the Term Contract Invitation for Bid, including pricing and delivery arrangements, was considered proprietary information.

2.12 CONTRACT RENEWAL

This contract may, upon mutual agreement between the parties and according to the terms of the existing contract, be renewed in one-year intervals, or any interval that is advantageous to the State, for a period not to exceed a total of five years.

Price Increases Negotiated Based on Increases in Contractor's Costs. Price increases may be permitted at the time of contract renewal through a process of negotiation with the Contractor and the State. Any price increases must be based on demonstrated industry-wide or regional increases in the Contractor's costs.

At the end of the contract period, the State reserves the right to purchase natural gas, upon mutual agreement with the Contractor, on a month-to-month basis at the established contract price per DKT or an agreed upon indexed price until such time as a new contract is in effect.

2.14 RESPONSIBILITY FOR GAS

Transfer of natural gas ownership from the Contractor to the State shall occur at the NWE interconnect point.

2.15 FORCE MAJEURE

In the event either party is rendered wholly or in part by force majeure unable to carry out its obligations under this contract, upon giving written notice and reasonably full particulars to the other party, then the obligations of the parties, such as they are affected by such force majeure, shall be suspended during the continuance of any inability so caused. Such causes or contingencies affecting the performance of this contract by either party, however, shall not relieve it of liability in the event of its concurring material negligence or in the event of its failure to use due diligence to remedy the situation and remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes and contingencies affecting the performance of this contract relieve either party from its obligations to make payments of amounts then due hereunder, except where

adjustments to amounts due are deemed necessary as described in "Contractor's Obligations", Section 2.17, 3), below, nor shall such causes or contingencies relieve either party of liability unless such party shall give notice and full particulars of the same in writing to the other party as soon as possible after the occurrence relied on.

The term "force majeure" as employed herein shall mean acts of God, strikes, lockouts or other industrial disturbances (including those affecting the parties transporting gas for the State or for the Contractor), acts of the public enemy or terrorist, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, explosion or other casualty, floods, washouts, arrests and restraints of government (federal, state, civil or military) and of people, and civil disturbances, not reasonably within the control of the party claiming suspension and which, by the exercise of due diligence, such party is unable, wholly or in part, to prevent or overcome. In no event shall the term "force majeure" mean or include any cause which by the exercise of reasonable diligence the party claiming suspension could overcome or should have prevented.

The following conditions, although not limited to those listed, are not construed to constitute "force majeure" such that they occur upstream of the vendor's receipt point on to the pipeline transmission system, and in the gathering system(s) or well(s): breakage, rupture, blockage or accident to machinery or pipelines; line freeze-up; machinery or pipeline repairs and/or alterations; freezing or failure of wells; lack of gas reserves or cancellation of Contractor's gas purchase contracts; interruption of transport; and regulatory disallowance of rate recovery.

2.16 NOMINATIONS

The Contractor will be responsible for nominating volumes of gas on behalf of each facility to NWE, and for taking assignment of and managing the storage subscription for each facility that elects firm storage service.

2.17 CONTRACTOR'S OBLIGATIONS

Contractor shall provide the following services on behalf of the State:

- 1) Provide a reliable, firm supply of natural gas, in quantities up to 10,878 DKT per day, (including MDDQ revisions as stated, subject to the adjustments noted in Section 2.02) plus additional as needed volumes at the AECO NGX index, plus an interruptible supply as noted herein, to the facilities covered under this contract;
- 2) Assist the State, as requested, in demand management, and in the negotiation and preparation of all necessary transportation agreements or amendments, including adjusting deliveries for transmission/storage fuel reimbursements, balancing and storage requirements;
- 3) Pay the facilities' net cost difference between replacement gas supply cost (including penalty gas), and the cost of the contracted natural gas supply, if the Contractor is unable to fulfill the obligations, for reasons other than force majeure, stated herein. The State reserves the right to withhold that portion of the previous month's balance due to satisfy the Contractor's obligation of this section;
- 4) Invoice each facility in a timely manner based on actual volumes of gas delivered to the facility's meter, and for NWE services received in the preceding billing period (except for storage injection/withdrawal, storage fuel reimbursement, and storage capacity charges while storage assignment is in the possession of the Contractor). Applicable NWE charges shall be passed through to each facility with each monthly billing. Of NWE's storage charges, only the reservation component will be passed through to the facilities while storage assignment is in the possession of the Contractor. The Contractor is

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responsible for all other storage charges, balancing charges, and/or penalty charges incurred.

- 5) Credit the agency's accounts monthly for meter and additional charges incurred by Contractor's utilization of multiple receipt points into the NWE system. Each facility will only be responsible for meter charges for one receipt point per billing period.
- 6) Provide gas at the contract prices per DKT. Contract prices shall include all costs to deliver gas into the NWE transmission system, all applicable transmission/storage fuel reimbursements, and all upstream pipeline charges (e.g., including CMPL, NOVA, Northern Natural, Havre Pipeline, etc., pipeline charges).

2.18 TRANSPORTATION DISCOUNTS

The Contractor may propose negotiating transportation discounts and allowances for individual facilities covered under the contract, subject to written approval by the facility, and pass the subsequent discounts and allowances on to the facility. In consideration for the Contractor securing verifiable transportation discounts and allowances, the Contractor shall retain up to 10% of the discount or allowance, on a month-to-month basis, not to extend beyond the end of the contract period, and in no case to be extended beyond the original contract termination date of June 30, 2007. The Contractor's retention shall be clearly itemized on the monthly invoice submitted to the facility.

The Contractor shall submit written documentation supporting the verifiable transportation discount and/or allowance to the State Program Manager and to the applicable facility manager, within three working days from NWE's execution of the discount or allowance.

The Contractor shall not retain any percentage of savings achieved by the lowering of a facility's MDDQ resulting from the addition of dual fuel capabilities.

2.19 OBLIGATIONS OF THE AGENCIES

The facilities covered by this contract shall provide the following to the Contractor:

- 1) Payment of monthly invoices submitted by Contractor, per Section 2.17, 4 above;
- 2) An obligation to purchase all natural gas volumes from the Contractor throughout the term of the contract.

3.0 CONTRACT PRICING

This contract was awarded to the vendor with the lowest total price calculation, based on the sum of: 1) the bid price per DKT for facilities with firm storage multiplied by the estimated contract load for those facilities and, 2) the bid price per DKT for facilities without firm storage multiplied by the estimated contract load for those facilities.

The Contractor, familiar with the terms and conditions of the Term Contract Invitation for Bid, hereby agreed to provide the State of Montana with a firm (and interruptible, as noted) supply of natural gas, on a dry basis, at the prices listed below:

For the period of July 1, 2005, through June 30, 2007, delivery to NWE's transmission system of approximately 1,305,881 DKT of natural gas, up to 10,878 DKT per day, as required, subject to the adjustments noted in Section 2.02. (Bid in U.S. Dollars/Cents.)

1. Facilities with firm storage:

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ESTIMATED ANNUAL LOAD	BID PRICE	TOTAL
963,920 DKT	\$6.66/DKT	\$6,419,707.20

2. Facilities without firm storage:

ESTIMATED ANNUAL LOAD	BID PRICE	TOTAL
341,961 DKT	\$6.86/DKT	\$2,345,852.46

NOTE:

Facilities will only be invoiced for the actual volumes of gas delivered to the facility meter. Thus, the contracted price must reflect the transmission fuel reimbursement gas assessment on NWE's system, as determined through regulatory proceedings before the Montana Public Service Commission. All transmission and storage fuel reimbursement costs and adjustments will be borne by the Contractor.

The storage subscription must be kept in force and returned to the facilities with zero account balances at the end of the contract term on June 30, 2007, unless the Contractor is notified by the State, on or before March 31, 2007, to return the storage assignment on the termination date, filled with natural gas a negotiated price and quantity. Agencies with storage assignments electing to take such gas will be invoiced accordingly and will incur applicable NWE storage injection/capacity charges beginning July 1, 2007. Firm Storage MDDQ and Capacity volumes may be adjusted periodically with NWE, contractor to be notified via contract addendum.

RECEIPT POINT(S) WHERE NATURAL GAS IS TO BE DELIVERED INTO THE NWE SYSTEM:

Northwestern Energy Gas Transmission System – North Pool (Carway, Onsystem, Aden, BC#3)

FINAL DATE OF ACCEPTANCE FOR THE INCLUSION OF ADDITIONAL FACILITIES TO BE COVERED UNDER THIS CONTRACT:

The final date of acceptance for the inclusion of additional facilities (not shown in Section 4.0) to be covered under this contract is May 13, 2005. The Contractor will consider additional facility requests on a case by case basis. It is solely the discretion of the Contractor to accept or not accept the inclusion of any additional facility under this contract.

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4.0 FACILITY DATA AND HISTORICAL DATA

The consumption statistics contained in the tables below are **estimates only** based on historical data provided by NWE, and in no way constitute an obligation on behalf of the facilities listed in this document. Actual usage will depend upon weather and the individual requirements of each facility.

Transp. I.D. #	Customer	Transp. MDDQ	Storage MDDQ	Firm Storage Capacity	2/4-1/5 Metered Volumes
0012	Montana State Hosp.	481	262	19,388	69,914
0013	Montana State Prison	526	276	20,424	77,737
2000	Montana Dev. Center	204	115	8,510	22,568
2002	MSU	2,389	1422	105,228	331,529
2003	MSU Northern	416	229	16,946	38,315
2006	UM	1,300	952	70,448	245,545
3051	SG Middle School - Livingston	44	0	0	3,626
3052	High School - Livingston	81	0	0	6,663
3060	Mt. Dept. of Admin. Boiler Plant - Helena	177	0	0	18,595
3062	Mt. Dept. of Admin. Historical - Helena	53	0	0	6,146
3063	Mt. Dept. of Admin. Cogswell - Helena	79	0	0	8,737
3064	Mt. Mental Hlth Nursing Care - Lewistown	84	0	0	12,357
3065	Mt. Dept. of Transportation - Helena	75	0	0	7,807
3066	Mt. Veterans Home - Columbia Falls	37	0	0	5,111
3072	School District 10 - Anaconda	64	0	0	5,486
3075	Western Mt. College - Dillon	283	0	0	33,759
3079	Beaverhead Co. High School - Dillon	68	38	2,812	5,412
3080	Blue Sky Schools - Rudyard	49	30	2,220	3,188
3087	Choteau High School	92	41	3,034	7,221
3092	School District 1 - High School - Lewistown	53	32	2,368	4,998
3093	School District 10 - Conrad High School	50	25	1,850	4,336
3094	School District 21 - Fairfield	75	39	2,886	6,942
3095	Dept of Fish Wildlife & Parks - Helena	16	0	0	1,202
3096	Dept of Health & Human Services - Helena	32	0	0	2,376
3098	Lee Metcalf Building - Helena	24	0	0	1,195
3099	New Justice-State Library - Helena	25	0	0	2,349
3100	Scott Hart Building - Helena	48	0	0	4,041
3102	Walt Sullivan Building - Helena	56	0	0	3,771
3106	Central School - Whitefish	106	0	0	6,864
3107	High School - Columbia Falls	101	0	0	8,471
3108	High School - Whitefish	55	0	0	6,725
3109	Jr. High School - Columbia Falls	73	0	0	6,360
3114	Whitefish Elementary - Whitefish	46	0	0	4,858
3119	Kalispell School District #5 Flathead H.S.	125	0	0	10,567
3121	Harlowton High School - Harlowton	52	30	2,220	3,832
3123	Three Forks School Dist 24	60	41	3,034	5,591
3124	Kalispell School District #5 Jr. High	74	0	0	5,696
3129	Powell Co. High School - Deer Lodge	91	42	3,108	8,426
3130	School Dist. 7 - Bozeman	83	44	3,256	6,336

FIRM NATURAL GAS SUPPLY - NWE

Transp. I.D. #	Customer	Transp. MDDQ	Storage MDDQ	Firm Storage Capacity	2/4-1/5 Metered Volumes
3131	School Dist. 7 - Bozeman	37	20	1,480	2,895
3132	School Dist. 7 Jr. High - Bozeman	71	41	3,034	5,184
3133	School Dist. 7 Willson - Bozeman	98	33	2,442	5,147
3134	School District 6 - Columbus	58	0	0	3,976
3136	Havre High School - Havre	89	0	0	6,679
3137	Missoula Big Sky High School - Missoula	106	0	0	11,215
3138	Hellgate High School - Missoula	145	0	0	12,794
3139	C S Porter School - Missoula	51	0	0	2,677
3140	Sentinel High School - Missoula	144	0	0	12,073
3146	Helena Capital High School - Helena	167	75	5,550	12,247
3147	Helena Middle School - Helena	83	48	3,552	7,750
3148	CR Anderson School	73	47	3,478	5,844
3149	Helena High School	186	120	8,880	16,811
3156	Montana Tech - Butte GA26944	419	0	0	43,302
3160	MSU Bob Miller Pavilion	18	0	0	1,283
3161	Marsh Lab	55	0	0	7,644
3162	MSU Firm Gas Meter	56	0	0	4,453
3170	Whitehall Grade School	22	0	0	1,931
3171	Whitehall High School	28	0	0	2,110
3178	East Middle School - Butte	134	64	4,736	11,897
3179	West Elementary - Butte	81	34	2,516	5,798
3180	Butte High School - Butte	124	70	5,180	12,347
3181	Webster Garfield School - Butte	60	34	2,516	4,674
3183	Harlem Public School District	50	28	2,072	4,608
3193	Butte-Silver Bow Civic Center	84	0	0	7,597
3194	Butte-Silver Bow Court House	84	0	0	5,045
3195	Butte-Silver Bow Crushing Plant	0	0	0	7,036
3211	MSU Family Student Housing	208	108	7,992	26,828
3216	Missoula Sewage Plant	61	0	0	8,809
3217	City of Bozeman Pool	37	0	0	5,651
3218	Helena Fire Station	81	0	0	4,635
3221	UM Scisson Criaghead Apts	94	0	0	10,364
3231	Anaconda - Fred Moodry Middle School	51	0	0	3,361
3248	Flathead High School Auto Shop	33	0	0	2,990
3247	Anaconda School Vocational Annex	43	0	0	3,575
Total		10,878	4,340	321,160	1,305,881

Primary Point(s) Receipt

Maximum Daily

Receipt

Quantity

DESCRIPTION

Aden	1,110
CIG - WBI - DryCreek	717
Carway	3,078
Blaine County #3	1,901
Storage	4,340
TOTAL	11,146